

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Opportunity Sheltered Inds Inc

Missouri Enterprise

A Bigger Facility Brings In Additional Revenue For Opportunity Sheltered Industries

Client Profile:

Opportunity Sheltered Industries, Inc. is one of 91 sheltered workshop (non-profit) corporations in the state of Missouri. Sheltered workshops, created by the passage of Senate Bill 52 in 1965, are light assembly or service shops employing more than 7,500 disabled adults who would otherwise be excluded from regular employment. The state provides about 15 percent of the funding for workshops, but the rest comes from subcontract work performed for local business and industry. Opportunity Sheltered Industries is located in Houston, Missouri and employs approximately 60 people. The shop performs mostly subassembly services, such as filling plastic Easter eggs with candy for a national distributor, preassembling components for manufacturers of bathroom cabinets and coin vending machines, custom embroidering marketing materials (hats, bags, etc.), and carton packing and shrink wrapping for a number of manufacturers.

Situation:

Opportunity Sheltered Industries (OSI) was rapidly outgrowing its existing facility. In 2000, the company applied and was approved for 70 percent Neighborhood Assistance Program (NAP) tax credits for donations toward the construction of a new building. Seventy percent of financial or in-kind donations can now be claimed as a Missouri income tax credit. These tax credits can be carried forward up to five subsequent years as a credit toward federal tax liabilities. OSI realized it needed to define the layout and building specifications for a new facility early in the planning phase to determine the requisite funding level. The company contacted Missouri Enterprise, a NIST MEP network affiliate, for technical assistance

Solution:

Missouri Enterprise had its first meeting with OSI to discuss layout requirements in January 2000. As part of its initial assessment, Missouri Enterprise worked with the company to understand its activities and planned to design an efficient layout for the new building. Missouri Enterprise included further specifications in its final design, and released a bid package. However, the original design's cost far exceeded OSI's budget. Missouri Enterprise worked with contractors to create an affordable design of approximately 15,000 square feet that still met company specifications. A ground breaking ceremony was held in October 2001. During the construction

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phase of the project, Missouri Enterprise monitored and followed up on various needs and issues to support OSI as its new facility was completed. The company moved into its new building in August 2002, and is finding that revenues have increased and operating costs have decreased as a direct result of more space.

Results:

Built a new 15,000 square foot facility.

Increased annual revenues by \$85,000.

Reduced operating costs by \$10,000 annually.

Created additional jobs to bring total employment to approximately 60.

Testimonial:

"Missouri Enterprise provided the technical support that we did not have within our organization in order to complete this construction dream. [Missouri Enterprise's] professionalism, promptness, and insights were instrumental in the completion (time and cost wise) of this project."

Sharon Tyger, Manager